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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92059992
Party	Defendant Donald J. Trump
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Date	12/09/2014
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPOONJACK LLC d/b/a SPOONJACK, Petitioner, -against- DONALD J. TRUMP, Registrant.	Opposition No. 92059992

REGISTRANT'S REPLY BRIEF IN FURTHER SUPPORT OF ITS MOTION TO DISMISS

Spoonjack's Petition to Cancel is fatally flawed because he has pleaded no specific, plausible allegation of fraudulent intent. The Supreme Court has held that one cannot plead fraud merely by asserting that a prohibited act took place. Rather, a complainant must plead some plausible detail or context that supports fraudulent intent. Spoonjack has not done so and could not do so. And, it is no wonder: what possible reason would Registrant have to intentionally commit fraud on the PTO by filing a false Section 15 declaration for one of his dozens of federal trademark registrations? At bottom, this proceeding is nothing but a *pro se* troublemaker's attempt to exploit a now-withdrawn mistake and harass a trademark owner as payback for conducting routine enforcement. Spoonjack's claim is a textbook example of why a heightened pleading for fraud is in place. The Board should adhere to this standard, as it must under Supreme Court precedent, and grant Registrant's motion to dismiss.

Spoonjack's opposition brief (as well as his pleading) is replete with misleading statements and omissions. Chief among them is Spoonjack's assertion that Registrant fraudulently sought incontestability status for one of his many TRUMP registrations in order to

rely on that status in a lawsuit against Spoonjack over his iTRUMP mark. Of course, there has been no such lawsuit. Moreover, long prior to Spoonjack's filing of this Petition to Cancel, *Registrant had already agreed in writing not to challenge Spoonjack's use of this mark in court*. This fact was omitted from Spoonjack's brief in a deliberate attempt to mislead the Board into allowing this unfounded proceeding to move forward. Registrant's allegations of intent, indeed his standing in this proceeding, collapses under this omitted fact.

Finally, where a Section 15 declaration has been improperly filed and voluntarily withdrawn, as it was here, no further relief is appropriate, and the claim is moot. Both the case law that addresses this scenario post-*Bose* and the leading treatise support this position. To expend resources further litigating this matter, now that the mistake has been undone would be an inexcusable waste of resources. Registrant's motion should be granted.

ARGUMENT

I. Spoonjack has Not Sufficiently Pled Fraud as Required by the United States Supreme Court

Registrant argues at length in his moving brief that Spoonjack's pleading of fraud falls short of the requirements set down by the U.S. Supreme Court in *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007); *see also In re Bose Corp.*, 91 U.S.P.Q.2d 1938, 1941 (Fed. Cir. 2009) ("Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis."). Registrant's Motion to Dismiss ("Reg. Br.") at 16-20. Spoonjack has no response, except to argue incorrectly that his pleading conformed with one other TTAB pleading. Petitioner's Opposition to Registrant's Motion to Dismiss ("Opp. Br.") at 7-8. Supreme Court precedent trumps pleadings from other TTAB proceedings, however, and the Board must follow its direction that a claimant cannot get by on "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements," *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)

(citing *Twombly*, 550 U.S. at 555), but must instead rely on "sufficient factual matter, accepted as true, to 'state a claim to relief that is *plausible* on its face,'" *id.* at 663 (quoting *Twombly*, 550 U.S. at 570) (emphasis added). Spoonjack's pleading is composed largely of mere recitals and, where he does go further, legally implausible allegations. Reg. Br. at 16-20.

Twombly made clear that fraud allegations, such as the filing of a false declaration, must place the questionable conduct "in a context that raises a suggestion" that the statement was made fraudulently. Reg. Br. at 19 (citing *Twombly*, 550 U.S. at 556-57). A review of the Petition to Cancel in this proceeding (the "Petition") immediately reveals that Spoonjack has failed to do this. *See* Petition. Paragraphs 8 through 12 of the Petition are the paragraphs that relate to Registrant's purported fraudulent intent. Reg. Br. at 16-19; Petition ¶¶ 8-12. Paragraph 8 ("Registrant knew that the representation was false"), Paragraph 9 ("Registrant knowingly made a material misrepresentation to the PTO . . ."); [1] and Paragraph 12 ("Registrant made the representation with the intent to deceive the PTO") provide no context and are mere "threadbare recitals." *Id.* Paragraphs 10 and 11 purport to provide context, but the context is not plausible. Reg. Br. at 17-18; Petition ¶¶ 10, 11.

The allegation in Paragraph 10 that Registrant intentionally filed a fraudulent Section 15 declaration to rely on it in a dispute against third-party Trump Your Competition, a proceeding Spoonjack presumably stumbled upon while perusing TTABVUE, is not plausible. As we argued in our moving brief, Registrant had only initiated a TTAB proceeding against this entity, a type of action in which incontestability is irrelevant. Reg. Br. at 17. Spoonjack concedes the point, but responds by urging that Registrant *could theoretically* bring an entirely new court

[1] Spoonjack adds the following surplusage here: ". . . in order to obtain incontestability for Registration No. 3,391,095, a right to which Registrant is not entitled." Petition at ¶ 9. However, *any* party's intent in filing a Section 15 declaration is to obtain incontestability status. This aspect of the allegation does not strengthen the particularity of Spoonjack's pleading.

proceeding against Trump Your Competition, in which it *could* rely on the incontestability. Opp. Br. at 8-9. This allegation is not based on any factual support. Asserting, without basis, that Registrant committed fraud with the "specific" intent to use it in a lawsuit against a third-party simply because Registrant has recently filed an opposition against that third party does not provide a plausible context for a fraud allegation.[2] Moreover, Spoonjack fails to address the fact that Registrant promptly notified Trump Your Competition of the mistaken filing and amended its pleading on consent. Accordingly, the allegation in Paragraph 10 ought to be read as nothing more than a general and vacuous allegation that Registrant perpetrated the fraud of seeking incontestability in order to obtain incontestability status. In essence, this is a restatement of the insufficient, threadbare allegation in Paragraph 9, and cannot serve to save Spoonjack's pleading. *See* Reg. Br. at 17.

The only remaining allegation that Spoonjack relies on to support the required intent element, namely Paragraph 11, misleads the Board. *See* Opp. Br. at 8-9. In this paragraph, Spoonjack asserts that Registrant intended to commit fraud on the PTO so as to obtain incontestability status and rely on this status in his dispute *with Spoonjack*. However, Registrant could not rely on this incontestability status in a TTAB proceeding because Registrant withdrew his opposition against Spoonjack's application with prejudice over a year ago,[3] and, in any event, incontestability status is of no moment in a TTAB proceeding. Pet. Br. at 17. Nevertheless, in his brief, Spoonjack maintains that the allegation is still valid because Registrant may assert the TRUMP registration at issue here (the "Registration") against Spoonjack in an as-yet-unfiled

[2] Spoonjack simply plucked from the PTO's online records an entity Registrant happened to be litigating against at the time and alleged that the false statement was made with this company in mind. This is not acceptable context under *Twombly*.

[3] Moreover, Spoonjack's sole counterclaim was dismissed prior to the filing of the Petition, and its opportunity to appeal has now passed. *See* Order, *Trump v. Spoonjack, LLC,* Opp. No. 91203345 (T.T.A.B. Sept. 5, 2014).

court proceeding. Spoonjack argues: "In short, the fact that Registrant brought an action against Petitioner and used its registration as a weapon, is enough to demonstrate Petitioner's real interest in ensuring that the same registration will not be asserted against it in the future." Opp. Br. at 3.

Yet, this allegation is implausible and Spoonjack by omission has concealed the reason why: ***Registrant agreed in writing through counsel on August 15, 2013, that he would not object to Spoonjack's use of his applied-for mark***. *See* Declaration of James D. Weinberger (attached), ¶ 4.[4] This statement was made in connection with Registrant's aforementioned withdrawal of the underlying opposition and was sent more than a year before Spoonjack filed the Petition. *Id.* It reads in relevant part, as follows:

> Given that your iTrump virtual trumpet software has been on the market for several years with no actual confusion in the marketplace, our client has decided to withdraw his opposition against your company's pending application to register the mark iTrump in connection with "Computer software for use in producing sound" in Int. Cl. 9 (the "Spoonjack Mark"). ***Our client will not object to your continued use of the Spoonjack Mark for such goods provided that your company never uses any indicia of Mr. Trump or otherwise suggests any connection, sponsorship or affiliation with him.*** We must, however, reserve our rights in the event that you deviate from the use of iTrump as set forth herein or in the event any actual confusion develops in the marketplace in the future.

Id. (emphasis added). Accordingly, the allegation in Paragraph 11 is not plausible due to the withdrawal with prejudice of the iTRUMP opposition and the assurance made through counsel in the correspondence above.

Spoonjack's additional attempts to demonstrate the sufficiency of his pleadings fail as well. Opp. Br. at 7-8. Spoonjack relies extensively on the TTAB decision in *DaimlerChrysler Corp. v. American Motors Corp.*, 94 U.S.P.Q.2d 1086 (T.T.A.B. 2010) and claims that his

[4] Registrant submits this document solely to refute false and misleading statements made by Spoonjack in his Opposition Brief, given that the plausibility of his pleadings are relevant to this motion under *Twombly*. *See Twombly*, 550 U.S. at 570.

pleading tracks the operative pleading in that proceeding. *See id.* However, the pleading at issue in *DaimlerChrysler* considers the sufficiency of an *amended* pleading submitted after nearly four years of litigation *and extensive discovery*, some of which is appended to and referenced in the *thirty-nine page* amended petition. *See id.*; Amended Petition for Cancellation, Opp. No. 92045099 (T.T.A.B. June 15, 2009) ("DaimlerChrysler Petition"). Moreover, the underlying allegations in *DaimlerChrysler* are far more specific, detailed and therefore plausibly indicative of fraudulent intent than those alleged here. *See* DaimlerChrysler Petition. The proceeding was between the large car company and a former subsidiary, in which the allegations relating to fraud in the amended pleading *explicitly referenced admissions obtained during discovery*, thereby providing factual support needed to render them plausible. *See id.* When confronted with a challenge to the sufficiency of the conclusory fraud pleading in this very different context, the Board held that the "'petitioner has sufficiently pled a fraud claim, including that respondent had the requisite intent to deceive the USPTO in the procurement of its registration.'" Opp. Br. at 7 (quoting *DaimlerChrysler*, 94 U.S.P.Q.2d at 1088, 1089). However, it added the following caveat – a caveat that comes immediately after the lengthy portion of the decision that Spoonjack quotes in his brief:

> Notwithstanding that we find this petition to meet the particularity requirements for pleading fraud and to meet the requirement for generally pleading intent, in light of the *Bose* decision, we note that *the preferred practice for a party alleging fraud in a Board opposition or cancellation proceeding is to* ***specifically*** *allege the adverse party's intent to deceive the USPTO*, so that there is no question that this indispensable element has been pled.

DaimlerChrysler Corp., 94 U.S.P.Q.2d at 1089 (emphases added).

The Board's willingness to allow DaimlerChrysler's fraud claim, which was supported by specific allegations developed through discovery and admissions as well as conclusory allegations like those at issue here, is not analogous because Spoonjack makes conclusory

allegations supported only by implausible, indeed plainly false, generalities. Moreover, the language from *DaimlerChrysler* omitted from Spoonjack's brief makes clear that, despite the allegations relating to falsities and numerous confirming admissions, the Board would have preferred an *even more detailed* pleading. Certainly, in the instant matter, the Board must require a detailed pleading of fraudulent intent pursuant to the U.S. Supreme Court's mandate, "so that there is no question that this indispensable element has been pled." *Id.*

II. Spoonjack Lacks Standing Because Registrant Withdrew the iTRUMP Opposition with Prejudice

Given that Registrant's opposition to Spoonjack's iTRUMP Mark was dismissed with prejudice and that Registrant's written presentation that he would not pursue litigation against the use of such mark, Spoonjack has no standing to challenge the Registration. *See* Reg. Br. at 13-14. Against this backdrop, Spoonjack's argument in favor of standing and even the opinions Spoonjack cites in his brief undermine his position. *See* Opp. Br. at 3-4 (citing, *e.g.*, *Syntex (U.S.A.) Inc. v. E.R. Squibb & Sons Inc.*, 14 U.S.P.Q.2d 1879, 1880 (T.T.A.B. 1990); *Jewelers Vigilance Comm., Inc. v. Ullenberg Corp.*, 2 U.S.P.Q.2d 2021, 2023-24 (Fed. Cir. 1987)). For example, in *Syntex (U.S.A.) Inc.*, the Board held that the applicant had standing for its counterclaim notwithstanding the dismissal of the underlying opposition because the opposer's "'registration, is still a valid force which may be asserted against applicant in the context of a court action or even another proceeding before the Board.'" *Id.* at 4 (citing *Syntex (U.S.A.) Inc.*, 14 U.S.P.Q.2d at 1880)). Here, however, Registrant's opposition was withdrawn without prejudice, and Registrant made clear that he would not sue, rendering *Syntex* inapposite. In *Jewelers Vigilance Comm., Inc.*, the court reiterates the constitutional requirement that the opposer "must allege a distinct and palpable injury to himself." 2 U.S.P.Q.2d at 2023 (citation omitted). Spoonjack's pleading fails to identify a single "distinct and palpable injury" that he

might have suffered as a result of Registrant's now-withdrawn attempt to obtain incontestability. Instead, Spoonjack vaguely asserts that Registrant "could rely on [the incontestability status] in dispute of" Spoonjack's mark and that "continued registration . . . would be damaging." Petition ¶¶ 11, 16. However, this ignores the legal protections discussed above that Spoonjack has been enjoying.[5] Accordingly, Registrant has failed to plead standing and has no "real interest" in the Registration, nor any "'reasonable basis' for [his] belief that [he] would suffer some kind of damage" under the circumstances. Reg. Br. at 13-14; Trademark Trial and Appeal Board Manual of Procedure § 309.03(b).

III. Spoonjack's Fraud Claim is Moot and a Waste of Board Resources

Finally, Spoonjack's fraud claim is moot because the mistaken filing has since been withdrawn. Reg. Br. at 14-16. Spoonjack attacks this argument merely by insisting incorrectly that Registrant relies exclusively on a non-precedential Board opinion, *C. & J. Clark International Ltd. v. Unity Clothing Inc.*, Canc. No. 92049418, 2013 WL 3168093 (T.T.A.B. Apr. 24, 2013), *aff'd per curiam*, 561 F. App'x 921 (Fed. Cir. 2014). Opp. Br. at 5-6. However, the decision is instructive, as it is the only post-*Bose* case of which Registrant is aware that addressed the same set of facts. Reg. Br. at 14-15. Notably, in *C. & J. Clark*, the Board acknowledged in a footnote that a Section 15 declaration was filed despite the existence of a counterclaim against it in a then-pending TTAB proceeding, referenced the subsequent withdrawal of the declaration and considered the issue resolved. *Id.* No reference was made to fraud or the possibility of cancellation despite the fact that other fraud claims against the same

[5] Spoonjack also cites inapposite cases including *International Order of Job's Daughters v. Lindeburg & Co.*, 220 U.S.P.Q. 1017 (Fed. Cir. 1984), in which the court affirmed petitioner's standing to cancel a registration that had issued after a court had ruled that the purported mark was a mere functional aesthetic component, and *M. Aron Corporation v. Remington Products, Inc.*, 222 U.S.P.Q. 93 (T.T.A.B. 1984), in which the Board held that the petitioner had standing despite the petitioner's failed attempt to assert its registration against in a prior proceeding between the parties.

registration were already before the Board. This approach is supported by the leading treatise, which takes the position that an improperly filed Section 15 declaration does not warrant cancellation of a registration because the false statement was not made in order *to obtain* a registration, but merely to secure the registration's incontestability status, and therefore does not fall within the purview of Section 14 of the Lanham Act. *Id.* at 15 (citing 15 U.S.C. § 1064 (permitting cancellation of registrations "obtained fraudulently"); 3 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Comp.* ("*McCarthy*") § 20:58 (4th ed. 2014). As explained by Professor McCarthy, "[f]raud in a § 15 incontestability affidavit should only serve to eliminate the incontestable status of the registration and not result in cancellation of the registration as such." 6 *McCarthy* § 31:80; *see also Morehouse Mfg. Corp. v. J. Strickland & Co.*, 160 U.S.P.Q. 715, 719 (C.C.P.A. 1969). Since there is no more relief that Spoonjack ought to obtain, the proceeding is effectively moot and continuing to litigate it is a waste of the Board's and the parties' resources.

CONCLUSION

This proceeding should be dismissed because Spoonjack failed to plead the crucial element of fraudulent intent as required by the U.S. Supreme Court and the decisions Spoonjack cites. Furthermore, Spoonjack lacks standing because the sole registration he has pled is protected by the Board's ruling in the iTRUMP opposition and by Registrant's written representation not to sue. Finally, the claim is moot because the mistakenly filed Section 15 declaration has been withdrawn and any of its effects effectively unwound. Registrant's motion should be granted.

Dated: December 9, 2014
New York, New York

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

By:_____
James D. Weinberger
Leo Kittay
866 United Nations Plaza
New York, New York 10017
(212) 813-5900

Attorneys for Registrant

DECLARATION OF JAMES D. WEINBERGER

I, JAMES D. WEINBERGER, hereby declare as follows:

1. I am an attorney admitted to practice in the State of New York. I am a member of the law firm of Fross Zelnick Lehrman & Zissu, P.C. ("FZLZ"). FZLZ is trademark counsel to Registrant Donald J. Trump.

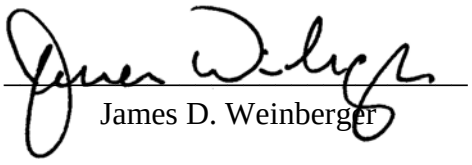
2. I submit this declaration in support of Registrant's Motion to Dismiss Petitioner's Petition to Cancel.

3. I have personal knowledge of the following, and if called as a witness I could and would competently testify thereto.

4. Attached as **Exhibit A** is a true and correct copy of an email I sent to Petitioner Spoonjack LLC on August 15, 2013.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in New York, New York on December 9, 2014.



James D. Weinberger

EXHIBIT A

Leo Kittay

From: James Weinberger
Sent: Thursday, August 15, 2013 10:55 AM
To: Tom Scharfeld
Cc: Leo Kittay
Subject: iTRUMP Opposition
Attachments: Withdrawal of Opposition (F1283112).PDF; Counterclaim Privilege Log (iTRUMP) (F1283126).PDF

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Tom –

Given that your iTrump virtual trumpet software has been on the market for several years with no actual confusion in the marketplace, our client has decided to withdraw his opposition against your company's pending application to register the mark iTrump in connection with "Computer software for use in producing sound" in Int. Cl. 9 (the "Spoonjack Mark"). Our client will not object to your continued use of the Spoonjack Mark for such goods provided that your company never uses any indicia of Mr. Trump or otherwise suggests any connection, sponsorship or affiliation with him. We must, however, reserve our rights in the event that you deviate from the use of iTrump as set forth herein or in the event any actual confusion develops in the marketplace in the future.

To the extent you wish to continue with your claims against the two TRUMP registrations on the basis that each is primarily merely a surname, I attach a privilege log regarding those two registrations, pursuant to the Board's July 23 order and per the agreed-upon extension of the deadline therein. We are to have a meet and confer tomorrow regarding the remaining discovery issues. Please be prepared to discuss which of the outstanding requests to which we are to get you responses by August 30 are still relevant given that only your counterclaims remain in the proceeding. I am available to speak any time until 2pm your time.

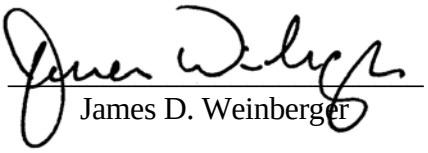
Very truly yours,

James D. Weinberger | Fross Zelnick Lehrman & Zissu, P.C.
866 United Nations Plaza | New York, New York 10017
Tel: (212) 813-5952 | Fax: (212) 813-5901 | www.frosszelnick.com

CERTIFICATE OF SERVICE

I hereby certify that, on this 9th day of December, 2014, a copy of the foregoing REGISTRANT'S REPLY BRIEF IN FURTHER SUPPORT OF ITS MOTION TO DISMISS and DECLARATION OF JAMES D. WEINBERGER were sent by First Class Mail to Spoonjack at its correspondence address of record:

Spoonjack LLC
220 Lombard St. STE 217
San Francisco, CA 94111



James D. Weinberger